

Chapter 1

INNOVATION IN AUDITING: CONTINUOUS AUDITING

Seyhan ÖZTÜRK¹

INTRODUCTION

Together with the developments and changes in information technologies, particularly with the increase in the use of computer and correspondingly the expansion of Internet intensely influence accounting, and thereby, auditing. This influence increasingly continues in today's world as well.

In the sectors and businesses dealing with information technologies, the transactions are conducted more effective and productive, thus, it provides savings in terms of issues such as time and cost. Most of the transactions that were being conducted manually and filed as papers before are now being conducted with automation, which provides an opportunity for acceleration and a decrease in the workloads. On the other hand, the requirement and difficulty of controlling, monitoring, and auditing of these computer-supported environments, which create all of these opportunities, become a source of a handicap.

Besides, increasing complexity and wideness of systems and processes cause the risk factors to change and increase as well. Moreover, cancellation of trade borders between countries and globalized capital markets necessitate transparency and simplicity in financial reporting. In this context, auditing has become an obligation for the businesses that are functioning either on-line or real-time.

Emerging as a response to all of these needs, continuous auditing represents the process which aims at presenting accounting information through collecting electronic auditing evidence by means of real-time accounting systems without basic use of physical documents. Through continuous auditing, the loss of time and cost is minimized in all aspects, the traditional auditing deficiencies are removed, and a more efficient and productive auditing is ensured. In this framework, through discussing the concepts of auditing and continuous auditing in this descriptive study, a comparison was made between continuous auditing and traditional auditing with a short evaluation.

¹ Asst. Prof., Kafkas University, Faculty of Economics and Administrative Sciences, seyhan87ozturk@gmail.com

Another problem may be the auditors' competencies on information technologies and their weaknesses of knowledge and skills. Also, difficulties may be experienced in performing online and real-time auditing continuously because of the reasons such as a lack of communication with the personnel. For this reason, it may be possible to be willing to continue to apply the traditional auditing process rather than applying new auditing software.

However, as the continuous auditing is a type of auditing that eliminates the negativities of traditional auditing and corrects its deficiencies, and saves in many aspects such as time and cost, it becomes more preferable. It can provide high earnings to large-scale enterprises by the savings it creates, and it resolves the cases with lower cost especially in the events of error and fraud.

Also, using continuous auditing enables auditors to create a number of pre-defined features that monitors and analyzes accounting system continuously and get information about the problems with the help of an alarm system. Because of these reasons, as a promising concept, continuous auditing seems to continue to add value to enterprises in the future.

BIBLIOGRAPHY

- Acar, D., Öztürk, M. S., & Usul, H. (2016). "Dijital Ortamda Denetim: Sürekli Denetim". Suleyman Demirel University Journal of Faculty of *Economics & Administrative Sciences*, Issue: 21, No: 5 p.1561-1571.
- Bozkurt, P. (2013). "Denetim Kavramı ve Denetim Anlayışındaki Gelişmeler". *Denetışim Dergisi*. (12), 56-62.
- Cankar, İ. (2006). "Denetimin Yeni Paradigması: Sürekli Denetim", *Sayıřtay Dergisi*, Issue: 61.
- Çetin, B. (2011) Sürekli Denetimin İç Denetimde Uygulanabilirliđi, Zonguldak Karaelmas University, The Institute of Social Sciences, Department of Business Administration, Zonguldak.
- Durmuş, C.N. & Taş, O. (2008), Denetim, SPK Düzenlemeleri ve 3568 Sayılı Mevzuat Kapsamında, Alfa Yayınevi, Haziran, 1. Basım.
- Erççek, M. (2016). Türkiye'de Denetimin Gelişimi Ve Yeni Gelişmeler Işığında Denetimin Dönen Varlıklara Etkisi Ve Bir Uygulama, Unpublished Master's Thesis, Adnan Menderes University, The Institute of Social Sciences, Aydın.
- Güredin, E. (2010), Denetim ve Güvence Hizmetleri, 13. Baskı, Türkmen Kitabevi.
- Kaval, H. (2008), Muhasebe Denetimi, Gazi Kitabevi, 3. Baskı, Kasım.
- Kütük, İ. (2008) Kamu ve Bağımsız Muhasebe Denetiminde Kanıt Toplama Teknikleri, Unpublished Master's Thesis, Trakya University, The Institute of Social Sciences, Edirne.
- Memiş, M. Ü.,& Tüm, K. (2011). "Sürekli Denetim Süreci ve İç Denetim İle İlişkisi". *Erciyes Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, (37), 145-162.
- Rezaee Z., Elam R. and A. Sharbatoghlie. 2001. "Continuous Auditing: The Audit of Future", *Managerial Auditing Journal*, p. 150-158.
- Serçemeli, M.,& Orhan, M. S. (2016). "Sürekli Denetim ve Denetimin Geleceğine Bakış

Üzerine BİST-100 Şirketlerinde Bir Araştırma”, Sayıştay Dergisi, Nisan-Haziran.
Şen, İ. K. (2016). “Bilgi Teknolojilerindeki Değişimin Finansal Tabloların Bağımsız Denetimine Etkisi: Sürekli Denetim”. *Çankırı Karatekin Üniversitesi İİBF Dergisi*, 6(1), 383-404.